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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/178

3 December 1962

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events
16-29 November 1962

Once again the Brazilian Government is considering the establishment of closer economic ties with Bloc countries. Negotiations to date have stressed Brazil's need to expand its international markets, particularly for coffee. A Soviet offer of economic aid also is being considered.

The USSR and Bulgaria are increasing their assistance to Algeria. Soviet weapons and aircraft were displayed in the parade in Algiers marking the anniversary of the Algerian revolution, and Soviet technicians are present in the country to train indigenous personnel. An increased supply of Soviet military equipment may be forthcoming. Bulgarian technicians are arriving to implement a recently concluded assistance agreement.

Poland has extended a line of credit of \$32.5 million to India. Polish assistance will be used for the development of coal mines and the purchase of equipment for India's coal industry.

Yemen has successfully concluded negotiations with the USSR and Czechoslovakia for additional economic, military, and technical assistance. More than 200 Soviet technicians are now in Yemen.

Syria has signed civil air agreements with Hungary and Poland. A similar agreement is to be negotiated with the USSR.

The sudden acceleration of hostilities between India and Communist China during the latter part of October placed increased importance on Soviet Bloc trade and economic and military aid commitments in India. As of the middle of October the Soviet Bloc had extended nearly \$1 billion in credits and grants for economic and technical aid to India, nearly 90 percent of it from the USSR. High Soviet officials have given the Indian Ambassador in Moscow assurances that the USSR will fulfill all of its commitments.

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